

Rochester Land Bank Corporation

Meeting Minutes

May 28, 2015

City Hall, Rm. #223-B

30 Church Street,

Rochester, NY 14614

Board Members Present: Andrea Guzzetta, Kim Jones, Gary Kirkmire, Dana Miller, George Parker,
Board Members Absent: Kate Washington, Carol Wheeler
Non-Board Members Present: Maritza Mejias, Rianne Mitchell, Kathy Sheets, Tom Warth

The meeting was called to order at 3:09 pm by George Parker, Board Secretary.

The minutes from the last meeting were distributed. After two corrections by Tom Warth, Andrea Guzzetta moved that the minutes be approved. Gary Kirkmire seconded. The motion was approved by the board.

The first agenda item was a discussion of the outcomes from the Visioning Meeting conducted with the Land Bank's Community Advisory Group. Kathy Sheets highlighted some of the themes that came out of the discussion. First, many community groups have only a fuzzy notion of what a land bank is and how it fits into the community development picture. The specific topic that we'd asked the advisory group to explore was ideas for what to do with the OAG award the Land Bank received for acquisitions for Strategic Blight Removal. Advisory group members expressed that if we expect to ask for community support for any particular project, we need to involve neighborhood groups at the beginning of the process. There was also confusion about how "strategic" was defined. The question arose whether the acquisitions could be related to a strategic plan of the Land Bank's or if, perhaps, there were a target area identified. Board members in attendance referenced the City's tax lien input process and suggested that the Land Bank participate in that outreach to neighborhood groups.

Gary Kirkmire expressed his willingness to organize Quadrant meetings to connect with neighborhood groups as he'd done during the previous year's tax lien process. He also indicated that he would like the Land Bank to explore additional opportunities to address vacant properties that are not currently being used in the Rochester area. He mentioned apps that function as sort of interactive GIS maps and some other innovative ideas that he encountered at the Reclaiming Vacant Properties conference. George Parker felt that the messages the Community Advisory Group was sending to the Land Bank at the Visioning Meeting were: a) tell us what you can do, and b) tell us how the new powers and funding that the Land Bank has help to meet neighborhood-level goals. Gary noted that additional technological access will help to make information more available. Kathy Sheets brought up another type of opportunity to address a shorter-term limbo subset that the Land Bank could explore that had not yet be attempted. The Land Bank could approach the City's lien purchaser American Tax Funding Services (ATF) to donate some of the vacant properties for which they own multiple-years of unpaid tax liens. Gary Kirkmire also took the opportunity to update the board about the ongoing negotiations to expedite 2-3 dozen Bank of America mortgage foreclosure actions on Judge Doyle's docket and transfer them to the City or the Land Bank. They are at the stage of reviewing the occupancy, tax and code status of the properties involved and he expected that the actions could begin next month.

Dana Miller asked how the Community Advisory Group had been chosen. George Parker, formerly a member of the group, explained that leaders of community development organizations around Rochester and key City personnel had, in 2012, been invited by the City to form an exploratory committee to evaluate the feasibility and efficacy of forming a land bank. This same group now comprises the Land Bank's Advisory Group. George reiterated that the message he received from the group was that the community development community and neighborhood leaders want to know more about what the Land Bank is doing.

Next, the board members and staff who had attended the Reclaiming Vacant Properties Conference discussed some of the ideas and insights they had gained. Maritza Mejias said that her biggest takeaway was the fact that the most successful projects seemed to happen through collaborations, which led her to the conclusion that the Land Bank may want to broaden its roster of development partners. Kathy Sheets noted that many of the things that are new ventures for municipalities and land banks around the country – like side lot sales and “adopt-a-lot” gardening programs – have been going on for years here in Rochester. She mentioned that she noticed a trend of land banks being more deliberative about the types of projects in which they engage. Many are becoming involved in developing sober living homes, refugee group homes and homes for people with disabilities. Some land banks seem to be reaching out for partners in their communities so as to provide a workforce development component to their projects. Kim Jones remarked that it seemed as if there was a trend toward engaging in more social welfare initiatives. Kathy agreed and noted that the collaborations seem to allow for a more holistic approach to the problems confronting troubled neighborhoods. She also mentioned that she was impressed with the scale of both the vacancy and the efforts to address it in Detroit. Detroit has 380,000 tax parcels, 90,000 of which are controlled by their land bank. They are now doing demolitions at a rate of 150 per week, which is nearly the number the City performs in an average year. Kim Jones asked where they were getting the funding for the demolitions. Gary Kirkmire said that it was part of the \$150 million in federal funding Detroit received to clear blighted and abandoned properties. In addition, while in the process of correcting the tax assessments on properties in Detroit, owner-occupants were being charged a lower interest rate on delinquent taxes, at least for a two-year period. Dana Miller asked what Detroit is planning to do with the vacant land. Kathy Sheets answered that they are mostly doing the same things Rochester does – urban gardens and side lot sales – but, again, on a vastly larger scale. George Parker noted that urban farming is much more extensive in Detroit than it is here.

Kathy also took note of a Community Partner Program that one land bank has implemented. Non-profit 501(c)3 organizations may purchase property directly from the land bank if they provide a development proposal. In addition, buyers get a 20% premium added on to their highest bid at property auctions, provided they are endorsed by a registered community partner organization and agree to live in the house for three years. Dana Miller asked how the rehabilitation would be paid for in such a program. Tom Warth said that the program sounded interesting and that he would see if it is compatible with Public Authorities Law and the other relevant laws affecting land banks in New York State. Andrea Guzzetta mentioned that he may also want to check the legality of the City lowering interest rates solely for owner-occupants. Rianne Mitchell felt that the most relevant idea she took away from the conference was realizing that while affordable owner-occupancy is important, it is not the only or even most effective solution in every neighborhood. Some neighborhoods are struggling to the point that it would be almost irresponsible to encourage lower-income home buyers to invest with the expectation of building wealth. Community development directors from New Orleans and Youngstown,

Ohio gave some examples of other ways to support more challenged neighborhoods with no private real estate market to speak of, such as rallying neighborhood organizations to work with the municipality to provide volunteer labor for external maintenance of abandoned properties in their neighborhoods, and to focus on and exploit the positive benefits of community assets that anchor neighborhoods, such as churches and schools. She also learned about some additional sources for useful demographic data that is in the public domain.

Gary Kirkmire shared that he was very impressed with the energy and audacity of the mayor of Detroit, who spoke at the opening plenary of the Conference, in tackling the city's massive vacancy and code problems. The mayor was formerly a prosecutor for Wayne County who began filing nuisance suits against owners who were not maintaining property in compliance with relevant building codes. He continued this practice in his work as mayor. Some 1,923 nuisance lawsuits have been filed. The suits are filed systematically in block-level geographic clusters. None have been lost, though most are dropped in favor of a 6-month compliance program with owners. Similar tactics have been used in Baltimore, where community organizations are filing the suits. He is interested in exploring the possibility of filing civil suits against owners of properties in the city that are unreachable by tax foreclosure but are consistently in code enforcement. Such an initiative would offer some incentive and "teeth" to the Code Enforcement Inspectors on the ground. Gary also mentioned a recent report by Empire Justice predicting a wave of ill-effects that communities will face when the foreclosures that have been delayed begin to be completed. New Orleans is engaging in an interesting greening program as a strategy for vacant lots. Kim Jones said that she would be interested in learning more about the urban farming activities in Detroit. Tom Warth mentioned the City's Bureau of Planning and Zoning is in the process of examining the Zoning Code to see if there are ways to accommodate urban farming in Rochester. George Parker suggested that perhaps the board should create a working group to explore other opportunities for impacting vacant properties. Dana Miller asked what the strategy was for these nuisance suits and how the relevant City Commissioners feel about it. He asked what City Council could be doing to assist the process. Gary Kirkmire indicated that has enlisted Scott Smith to explore the local applicability of civil suits in Rochester and the possibility of tax relief for owner-occupants so as to facilitate an end to the sale of tax liens. Tom Warth volunteered to coordinate with Scott on the review.

George Parker shared that what made the strongest impression on him was the passion of the residents of Detroit that he encountered. As far as interesting ideas, New Jersey has a tax credit program that is different from the Affordable Housing Tax Credit to encourage community development by neighborhood organizations. It provides a 100% tax credit to businesses that fund projects that are intended to implement an approved comprehensive revitalization plan. 501(c)3 organizations can apply to a state agency with a development plan that has a timeline between two and ten years. If the plan is approved, businesses who fund projects to implement the plan will receive a tax credit for every dollar provided the projects are shovel ready and the ratio of hard costs to soft costs is at least 60/40. Often the tax credit funds are leveraged. George was also impressed with the Detroit Future Cities initiative. The University of Michigan tapped students in a consortium of institutions pursuing related fields of study to come up with the best plan for the reuse of a dilapidated auto-body plant, Fisher Body Plant 21. They formed 14 teams and gave them two weeks to develop proposal and chose a winner. The aim is to encourage private investment by providing plans that have been developed by some of the most innovative new minds in the field. Another feature of the initiative is the imposition of a developer fee based on a project's zip code to encourage more equitable development. The city uses the fee to invest in affordable housing.

Following the report back, Kim Jones notified the board that both the Land Bank's federal and state tax returns have been filed, which will restart the clock on the Land Bank's 501(c)3 application with the IRS. She then went over the Treasurer's Report and the CRI Grant Report to the board, noting the \$125 fee for filing the state tax return and the addresses of some properties in the acquisition pipeline.

Kathy Sheets then gave an update on the properties that may be coming to the Land Bank as a result of the deal the OAG negotiated between Bank of America and the National Community Stabilization Trust (NCST). Fifteen of the properties are located in the City and approximately half of those are occupied. NCST will first try to restructure the mortgages with the property owners. The Land Bank will have first right of refusal for any foreclosed properties and taken by NCST and staff has already begun review the properties. There may also be funding that accompanies properties coming to the Land Bank that could be used for demolition. Gary Kirkmire offered to compare the properties that are under review to those that may be subject to the expedited foreclosure process.

The meeting was adjourned at 4:18 pm.

ATTEST: 
George Parker – Secretary, Rochester Land Bank Corporation